

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

CHESAPEAKE ENERGY CORPORATION, *et al.*,¹

Debtors.

§
§ Chapter 11
§
§ Case No. 20-33233 (DRJ)
§
§ (Jointly Administered)
§
§

**STIPULATION AND AGREED ORDER
BY THE DEBTORS GRANTING RELIEF FROM AUTOMATIC STAY**

This Stipulation and Agreed Order (“Stipulation”) is made and entered into by and among Chesapeake Energy Corporation and certain of its subsidiaries and affiliates (the “Debtors”), debtors-in-possession in the above-captioned chapter 11 cases. The Debtors hereby stipulate and agree as follows:

RECITALS

WHEREAS, on or about October 14, 2019, Stephanie and Timothy Delasandro (the “Complainants”) initiated the *Complaint of Timothy and Stephanie Delasandro Against Chesapeake Operating, L.L.C. (Operator No. 147699) on the College Station Lease, Well No. A 2H (Drilling Permit No. 856809), Giddings (Eagleford) Field, Brazos County, Texas; District 3, Oil and Gas Docket No. OG-19-00001748*, (the “Delasandro Complaint”) against Chesapeake Operating, LLC at the Railroad Commission of Texas (the “Commission”) alleging in an email to the Commission that the drilling permit for the College Station A 2H Well operated by Chesapeake

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/chesapeake>. The location of Debtor Chesapeake Energy Corporation’s principal place of business and the Debtors’ service address in these chapter 11 cases is 6100 North Western Avenue, Oklahoma City, Oklahoma 73118.

Operating, L.L.C. should be revoked because (Complainants contend) the College Station A 2H Well was permitted in violation of the Commission's applicable lease line spacing rules; and

WHEREAS, in February 2020, Chesapeake Operating, LLC commenced production on the College Station A2H Well; and

WHEREAS, on April 13, 2020, Chesapeake Operating, LLC filed a motion to dismiss (the "Motion to Dismiss") the Delasandro Complaint, which remains pending with the Commission; and

WHEREAS, on June 28, 2020 (the "Petition Date"), the Debtors commenced Chapter 11 cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"). The Chapter 11 Cases have been consolidated for procedural purposes only and are jointly administered pursuant to rule 1015(a) of the Federal Rules of Bankruptcy Procedure. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code; and

WHEREAS, since the Petition Date, the Delasandro Complaint and the Motion to Dismiss have been stayed by operation of the automatic stay arising under section 362 of the Bankruptcy Code; and

WHEREAS, the Debtors consent to relief from the automatic stay imposed by section 362 of the Bankruptcy Code on the terms and conditions set forth in this Stipulation for the exclusive purpose of allowing the Commission to act on the Motion to Dismiss, and solely to the extent provided in this Stipulation; and

WHEREAS, the Official Committee of Unsecured Creditors has been served with this Stipulation and does not have opposition to the requested relief.

THEREFORE, IT IS HEREBY STIPULATED AND AGREED, AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION, IT IS SO ORDERED as follows:

1. The above recitals are incorporated by reference into this Stipulation with the same force and effect as if fully set forth hereinafter.
2. The automatic stay imposed by section 362 of the Bankruptcy Code is modified with respect to the Motion to Dismiss solely to the limited extent necessary to enable the Commission to act on the Motion to Dismiss.
3. The Debtors shall file this Stipulation with the Commission after approval by the Bankruptcy Court.
4. By entering into this Stipulation, the Debtors are not waiving and will not be deemed to have waived any available rights, counterclaims, or defenses, including at law, equity, or otherwise with respect to the Delasandro Complaint and the Motion to Dismiss.
5. Neither this Stipulation nor any negotiations and writings in connection with this Stipulation will in any way be construed as or deemed to be evidence of or an admission on behalf of any Debtor regarding any claim or right that such Debtor may have against any other person or entity.
6. Neither this Stipulation, nor any terms contained herein shall be offered in evidence in any legal proceeding or administrative proceeding among or between the Debtors and the Plaintiffs, other than as may be necessary: (a) to obtain approval of and to enforce this Stipulation, (b) to seek damages or injunctive relief in connection therewith, or (c) to prove that the automatic stay has been modified to allow prosecution of the Motion to Dismiss in accordance with the terms of this Stipulation.

7. The Bankruptcy Court retains exclusive jurisdiction with respect to any disputes arising from or other actions to interpret, administer, or enforce the terms and provisions of this Stipulation.

Houston, Texas

Dated: _____, 2020

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

STIPULATED AND AGREED TO THIS 31ST DAY OF AUGUST, 2020:

/s/ Matthew D. Cavanaugh

JACKSON WALKER L.L.P.

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